

Taki V. Flevaris
taki.flevaris@pacificalawgroup.com

December 7, 2017

VIA EMAILTony Perkins
Investigator, Campaign Finance Unit
Washington Attorney General's Office
tonyp@atg.wa.gov**Re: 2016 Christine Kilduff Campaign — Response to Citizen Action Notice**

Dear Mr. Perkins:

We represent the Friends of Christine Kilduff campaign (the “Kilduff Campaign”). The Kilduff Campaign has reviewed the citizen action complaint that Glen Morgan submitted on October 26, 2017. As explained below, the allegations in the complaint are groundless and incorrect. The Kilduff Campaign engaged in timely, accurate, and complete reporting, and any errors that occurred were minor, inadvertent, swiftly corrected, and rare, especially considering the scope of the campaign, which raised and spent over \$370,000 and filed over 150 reports disclosing its activities. Mr. Morgan’s complaint is based on three exhibits listing alleged violations, without further explanation or justification. Below we address each exhibit in turn.

Exhibit A: C3 and C4 Reports. The identified reports were filed timely, other than two reports that were filed only one day late, as a result of a single, honest mistake. None of this warrants any further action.

Items 1-8 and 16 are amended reports, not untimely reports. The original reports were filed timely, and the amendments were all appropriate and timely under the circumstances, made to account for changes to applicable contribution limits, to account for estimated debts being finalized and paid off, or to correct minor inaccuracies that were discovered (such as a \$5 contribution that was mistakenly reported as \$50). The mere fact that a report was amended does not establish a material violation of reporting requirements, and no such violation occurred here.

For items 9-15, 17-20, and 23-24, the complaint incorrectly identifies Saturdays and federal holidays as reporting deadlines. The Kilduff Campaign timely filed its reports on the actual filing deadline, the next business day, as was required.

Items 21 and 22 are reports that were filed one day after the applicable reporting date, due to an administrative oversight. On September 26, 2016, the Kilduff Campaign's Treasurer mistakenly believed that the prior week's report, dated September 19, included deposits that had been made on that date. On the morning of September 27, the Treasurer had lingering doubts, and thus reviewed the campaign's records; she then realized that the deposits—which had taken place later in the day on the 19th—had not been incorporated into the prior report. As a result, she immediately filed the C3s at issue, one day after the applicable reporting date of the 26th. This was nothing more than an isolated oversight.

Exhibit B: Debt Reporting. The expenditures identified in the complaint as unreported debts were either properly reported as debt in prior reports or never qualified as debt in the first place. The complaint does not justify its incorrect assumptions. Again, no further action is warranted.

Items 1-5, 7, 16, 18-21, 30, 32, 35-36, 39-40, 43, 45-47, 58, 64, 73, 76, 90, 93, 95-96, 103, and 106-111 are all expenditures that *were* previously reported as debt in prior reports, contrary to the suggestion in the complaint.

Items 6, 8-15, 17, 22-28, 31, 33-34, 37-38, 41-42, 44, 48-54, 56, 59-63, 65-69, 74-75, 77, 81-89, 92, 94, 97-100, 102, 104-05 were all incurred and paid for during the same reporting period. This includes regular consulting work (e.g., item 6), an event space deposit (e.g., item 11), payroll taxes (e.g., item 12), website hosting (e.g., item 13), postage (e.g., item 37), and advertising (e.g., item 48), among other such expenses. Because these items were paid for at the same time or shortly after being incurred, these items never qualified as reportable debt and were instead timely reported as expenditures.

As to items 78-80, which are literature and advertising expenditures in late October of 2016 that were timely reported as such, the Kilduff Campaign has no reason to believe that these expenditures should have been previously reported as debts. While the campaign has no specific recollection and has identified no record of the date that each of these particular items was ordered, all the resulting invoices and payments fell within the same period for which the expenditures were reported, and such services tend to involve swift turnaround. Moreover, the campaign's records show that the Treasurer reached out to the vendor before filing the campaign's report for the preceding period, asking about any pending orders to ensure that all debts would be properly reported. In other words, the campaign took active steps to ensure its debts were timely disclosed, and has no reason to believe a mistake was made.

Items 29, 55, 57, 70-72, 91, and 101 all represent in-kind contributions, not debts or expenditures.

Item 112 represents work that the campaign's Treasurer conducted in June of 2017, a non-election year. This was part of her ongoing provision of services, which have been invoiced and paid on a regular, monthly basis, and thus, did not require debt reporting. Regardless, the Treasurer did not even realize that she exceeded the threshold for reporting debt, which was

abnormal for this time period, and occurred only because she participated in a long meeting with the Attorney General's Office regarding certain ongoing litigation against third parties (*State of Washington v. Blue Utopia, LLC*). The work was paid for in July and reported timely as an expenditure. To err on the side of disclosure and help resolve this issue, the campaign's report for June has since been amended to include the payment amount as a prior debt. No further action is warranted.

Exhibit C: Expense Descriptions. The identified expenditures were meaningfully and sufficiently described in the Kilduff Campaign's reports. These were routine printing expenses for remit envelopes, letterhead, mailers, and the like. The Kilduff Campaign would be happy to provide additional detail upon request. To err on the side of caution, the Kilduff Campaign will include quantities in its reports going forward for such items.

In conclusion, the Kilduff Campaign has complied with applicable reporting requirements. Mr. Morgan's complaint is baseless, does not demonstrate otherwise, and warrants no further action.

Sincerely,

PACIFICA LAW GROUP LLP

A handwritten signature in blue ink, appearing to read 'T. V. Flevaris', with a stylized flourish at the end.

Taki V. Flevaris